



Legislation Text

File #: 19-618, **Version:** 1

Staff Report for City of San Leandro City Council Resolution Approving Consulting Services Agreement for \$156,000 with Eide Bailly LLC for Accounting and Finance Assistance and Appropriating \$156,000 from General Fund Unrestricted Fund Balance

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council consider and approve the Consulting Services Agreement with Eide Bailly LLC for accounting and finance (non-audit) assistance to the Finance Department. Funding is available from salary savings through ongoing vacant department positions, although an appropriation is required amounting to \$156,000 from General Fund Unrestricted fund balance.

BACKGROUND

The vacant Assistant Finance Director and the Account II positions give rise to a need for accounting support services in the Finance Department. Currently, five permanent, full-time positions in the Department remain vacant.

The City initially entered into an agreement with Francis Ngure on July 30, 2019 for audit and finance assistance. That engagement has been successful and beneficial to the completion of required activities. The scope of this work included closing the City's financial books, preparing for the year-end audit, and issuing the Comprehensive Annual Financial Report for year ended June 30, 2019.

Analysis

The year-end work is progressing toward completion and on-going accounting support in the Department is required. Eides Bailly presented the City a Proposal for Professional Consulting Services and Accounting Support Services dated September 16, 2019 and an Engagement Letter dated October 30, 2019. These proposed a scope of work including assisting in reconciling statements and sub-ledgers to the general ledger, preparing routine analysis and journal entries, maintaining accounting records, and adhering to financial reporting deadlines.

Eide Bailly has served the government industry for more than 50 years and worked with more than 900 government clients throughout the nation. Eide Bailly is a Top-25 CPA firm with offices in 15 states.

Eide Bailly (after merging with Vavrinek, Trine, Day, & Co.) has provided services to numerous other jurisdictions in the Bay Area needing similar services to that requested by the City. Local services were performed at the cities of Novato, San Pablo, San Rafael, Sausalito, and Half Moon Bay. A reference review confirmed the similarity of the work and also significant satisfaction of the work by the client and its operational impact.

Funding is available from salary savings through long-term vacant department positions. Currently, five of the permanent, full-time positions in the Finance Department are vacant. The vacant Assistant Finance Director and the Accountant II positions give rise to the urgent need for accounting support services.

Fiscal Impacts

The agreement sets the not-to-exceed compensation at \$156,000 (for 12-months of services into 2020-21). Funding is available from salary savings through long-term vacant department positions and there will be no net negative impact on the General Fund. Budget authorization requires appropriation of \$156,000 from General Fund Unrestricted fund balance.

Budget Authority

Budget authorization requires appropriation of \$156,000 from General Fund Unrestricted fund balance to account 010-12-052-5120.

ATTACHMENT

None

PREPARED BY

David Baum, Finance Director, Finance Department